

A U S T I N C I T Y C O U N C I L

AGENDA

x	x	x	x
---	---	---	---

Thursday, August 10, 2006

 + Back
  Print

Regular Item
RECOMMENDATION FOR COUNCIL ACTION
ITEM No. 3

Subject: Authorize the negotiation and execution of a loan to AUSTIN NEIGHBORHOOD ALLIANCE FOR HABITAT, INC., Austin, Texas, an affiliate of AUSTIN HABITAT FOR HUMANITY, INC., under the Acquisition and Development Program in an amount not to exceed \$518,500 for the acquisition of 20 vacant lots in the Frontier at Montana subdivision to be developed for 20 single-family homes for low- to moderate-income buyers.

Amount and Source of Funding: Funding for the first 10 lots is available in the Fiscal Year 2005-2006 budget using available HOME funds. Funding for the second 10 lots is available from HOME funds in the Fiscal Year 2006-2007 Proposed Operating Budget of the Ausitn Housing Finance Corporation.

Additional Backup Material

(click to open)

 Sources & Uses of Funds

For More Information: Paul Hilgers, Executive Director, Austin Housing Finance Corporation, 974-3108.

This action authorizes the negotiation and execution of a loan to Austin Neighborhood Alliance for Habitat, Inc. (ANAH), an affiliate of Austin Habitat for Humanity, Inc. (AHFH), its operational partner, in an amount not to exceed \$518,500. The loan proceeds will be used for the acquisition of twenty vacant lots in the Frontier at Montana Subdivision. The lots will be developed for affordably priced, single-family homes for low- and moderate-income first-time homebuyers.

The build-out of the 20 lots is planned in two stages: 1) a "Builder Blitz" starting October 7, 2006 that will complete 10 homes within 45 days; and 2) the remaining 10 will be completed during 2007.

These affordable homes will be sold to families successfully completing AHFH's homeownership preparation program. The buyer's total household income will not exceed 80% of Austin's Median Family Income (currently \$56,900 for a family of four). The Sources and Uses of the Funding are attached.

AHFH has been building affordable homes in Austin since 1985. AHFH is a non-profit 501(c)(3) that develops affordable housing and provides homeownership opportunities for families successfully completing its program. To construct its homes, AHFH utilizes volunteer labor, paid contractors, community sponsorships, and a significant volunteer commitment by the prospective homebuyer. AHFH also provides a zero-interest rate mortgage to the homebuyers for a term of up to 30 years.

In AHFH's Strategic Plan for 2005-2010, AHFH has outlined a commitment to serve 150 families, through building 100 new homes and repairing 50 homes. AHFH's production goal for 2006 is to build 20 new homes. This funding will allow AHFH to purchase the lots necessary to meet that goal.

ANAH responded to a Request for Proposals (RFP) issued by AHFC for development of the 81-lot Frontier at Montana Subdivision. AHFC is accepting proposals from non-profit housing providers and other qualified builders to develop the subdivision with new construction, single-family homes to be sold to low- to moderate-income buyers.

The Performance Measure associated with the project is as follows:

1. Construction and conveyance of 20 new single-family homes affordable to buyers earning no more than 80% of the Austin area MFI.

Part of the requested funding is available in Fiscal Year 2005-2006 budget allocation and the remainder is expected to be available in the budget allocation of the Austin Housing Finance Corporation for Fiscal Year 2006-2007. The request is consistent with the City of Austin's currently approved Consolidated Plan and the AHFC's strategy to provide assistance through below market-rate financing for the development of affordable housing for low- and moderate-income households.

Sources and Uses of Funding-Habitat 20 Lots:

Sources:

Community Sponsored Houses	\$1,200,000
AHFC Funds	518,500
Loans	162,500
Community Funds	<u>333,880</u>
Total	\$2,214,880

Uses:

Acquisition	\$518,500
Construction	934,800
Soft Costs	<u>761,580</u>
Total	\$2,214,880